



PEPSICO



Tropicana.



PepsiCo Health & Wellness

Capturing Growth at the Intersection

Ellen Taaffe

**NIEHS - Environmental Solutions to Obesity Conference
June 2, 2005**

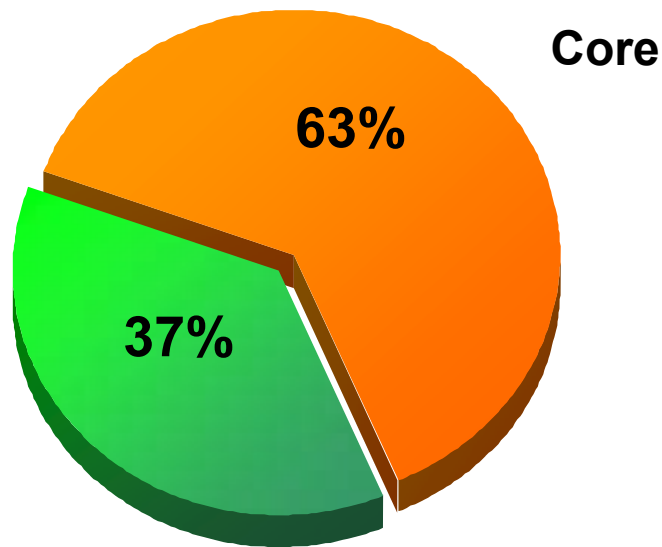


Wellness Is Driving Our North American Growth



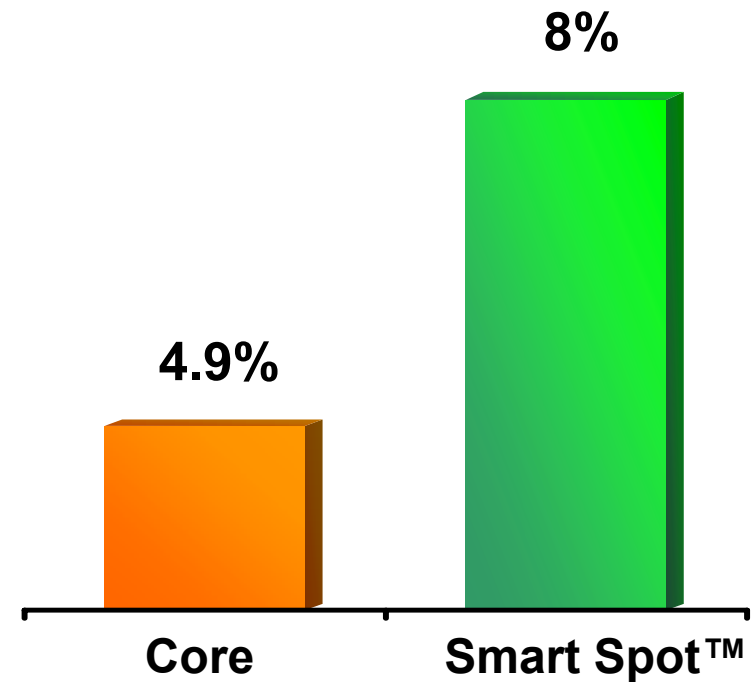
2004 Revenue - PepsiCo North America "Smart Spot™" Standards

2004 Net Sales
By Wellness Type



Smart Spot™: Better-for-You (reduced) and Good-for-You (nourish and replenish)

2004 Net Sales
Growth vs. YAG



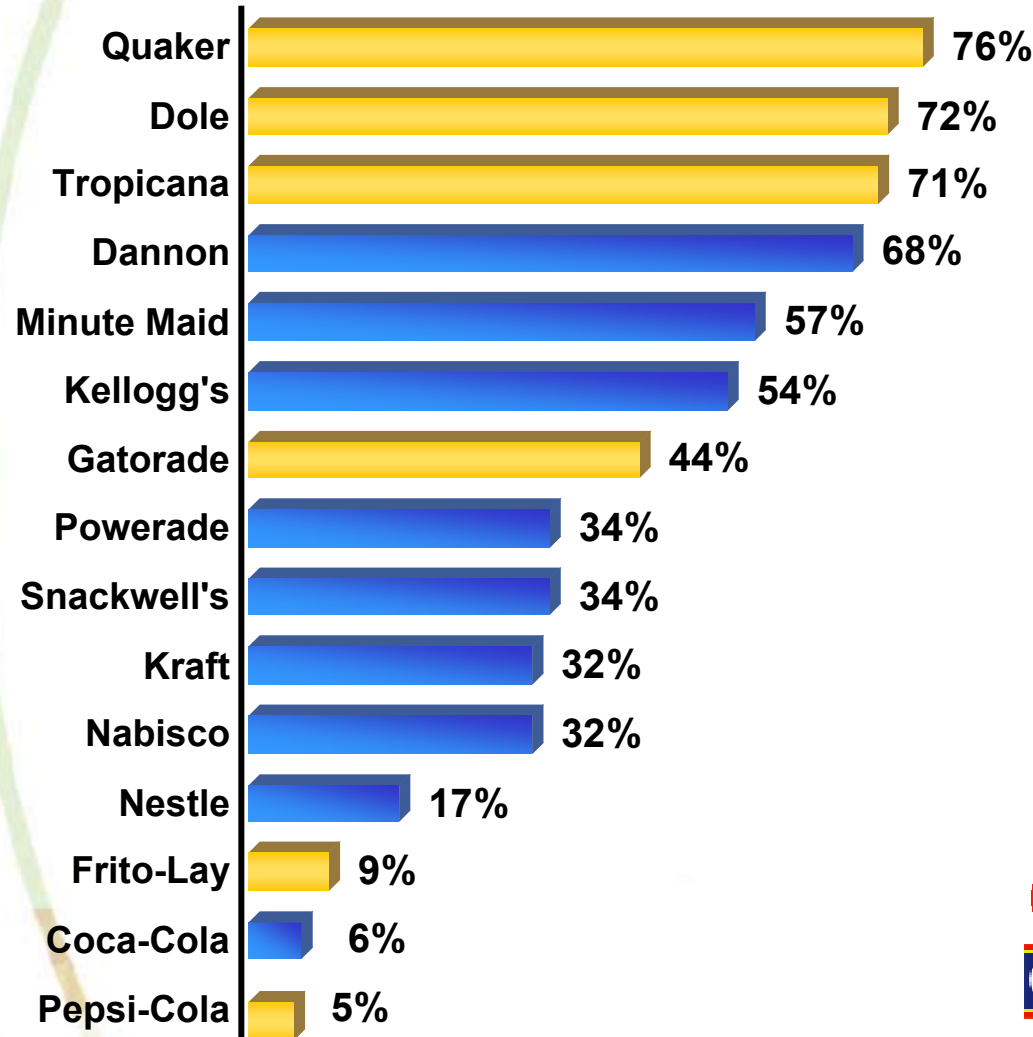
48% of Total Growth

We're Starting From A Very Strong Position



Most Respected Brands in Health

% Consumers Consider Brand Very or Extremely Healthy



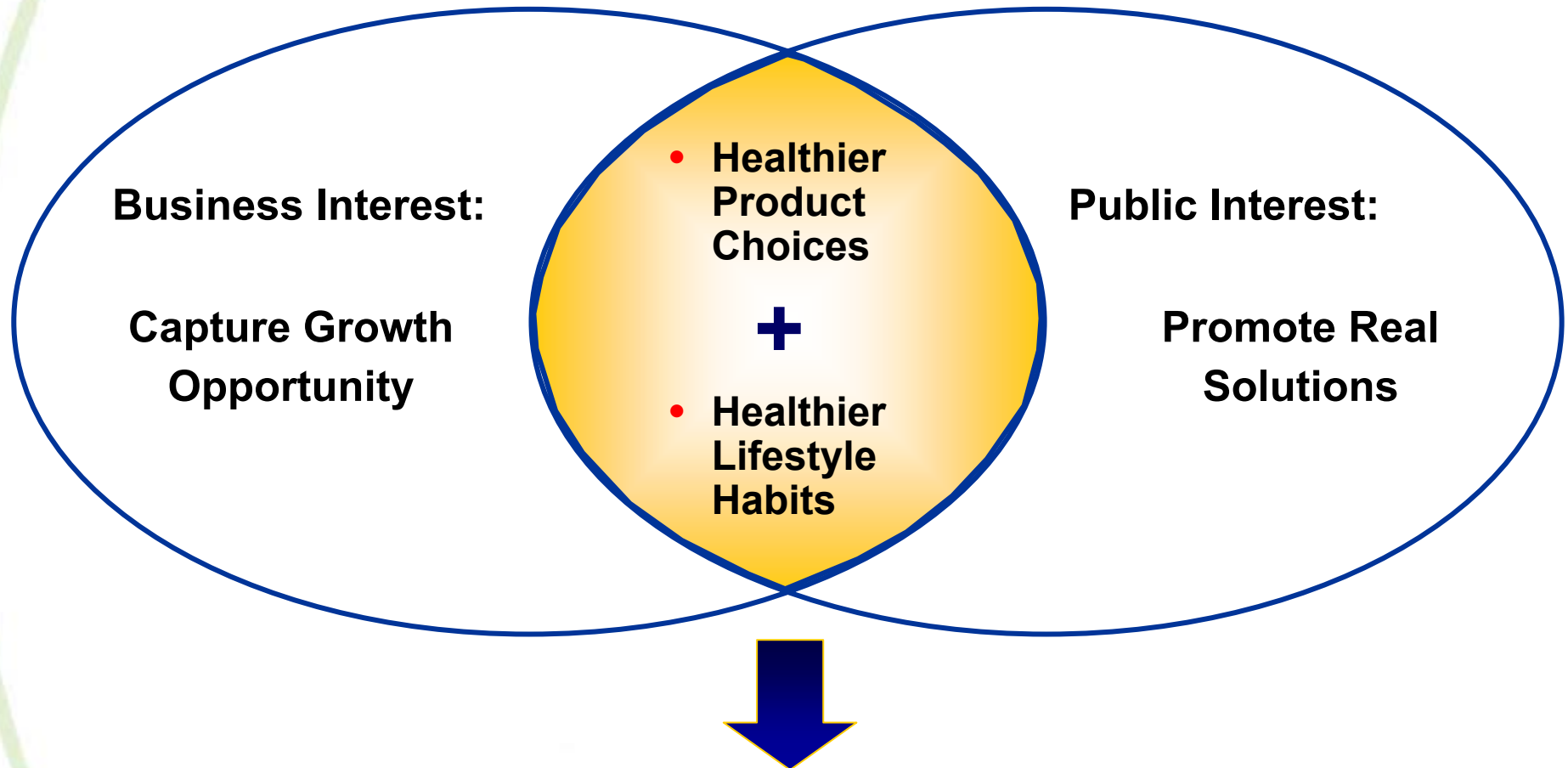
The Leading Brands in many Healthy Categories



PepsiCo Strategy: Real Action



Focus Our Efforts at the Intersection of Business Interest and Public Interest . . .



Making it Easier and More Enjoyable for Mainstream Consumers

Marketing Can Play A Critical Role In Motivating Behavior Towards Wellness



Proposed Solutions

Creating an
Appropriate
Environment



Motivating
Individual
Action

Restricting,
Taxing
Food

Implementing
Better
Marketing
Practices

Providing
Healthier
Product
Choices

Promoting
Healthier
Lifestyle
Habits

WELLNESS

Marketing can motivate
better choices and habits



Kids/Families Strategy



Create the Environment

- Continue to Implement Positive Marketing Practices
- Shift product offerings and marketing toward Smart Spot™ selections
- Leverage marketing programs to drive healthy lifestyle choices

Motivate the Behavior

- Provide Energy Balance educational materials
- Partner with America on the Move™ to develop Integrated School Tools and Family Lifestyle Programming

Collaborate for Solutions

- Partner with Research and Media Partners, School Nutrition Association
- Engage with industry, government and public sector to create solutions

Shifting The Mix - New Product Highlights



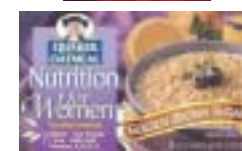
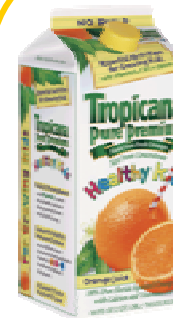
Reducing Fat



Reducing Sugar



Adding Positives



Shifting the Mix - Introducing The Smart Spot™ Program



Shifting The Mix In Schools



Added 17,000 Aquafina/Gatorade Vending Machines to Schools



Testing Other Solutions for More Choices and Range of Options

Motivate The Behavior - SmartSpot.com



The Smart Spot™ Program



Healthy Lifestyles



Healthy Kids



Commitment to Health



Tools for Professionals



Energy Balance Tool



Product Page

Motivate The Behavior – Discovery Media Partnership



An Integrated Marketing and Media Partnership

Key Elements:

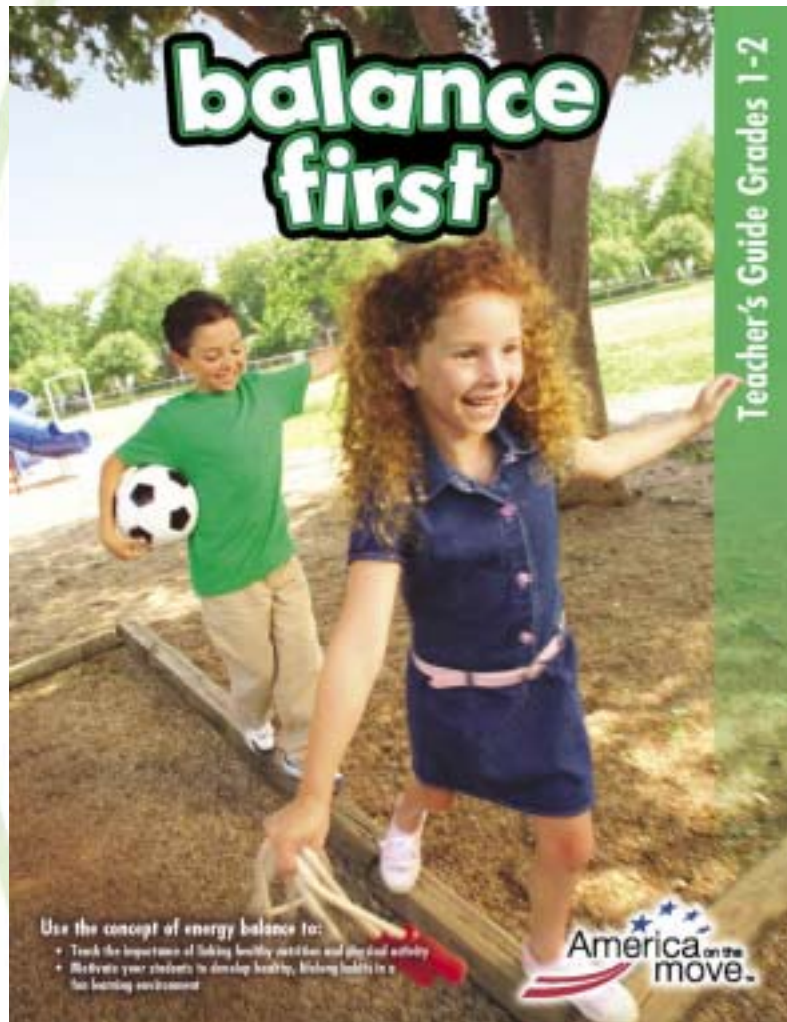
- **Healthy Snack Reminders at 3:00pm**
- **Healthy Breakfast PSAs / Vignettes**
- **Sponsorship of . . .**
 - The National Body Challenge
 - Discovery Health quarterly specials on “whole family health
 - Fit TV’s Fit Family Week
 - Discovery Health *Daily Rounds*
 - Animal Planet Family showcase
- **Middle School Energy Balance Curriculum with America On The Move™**



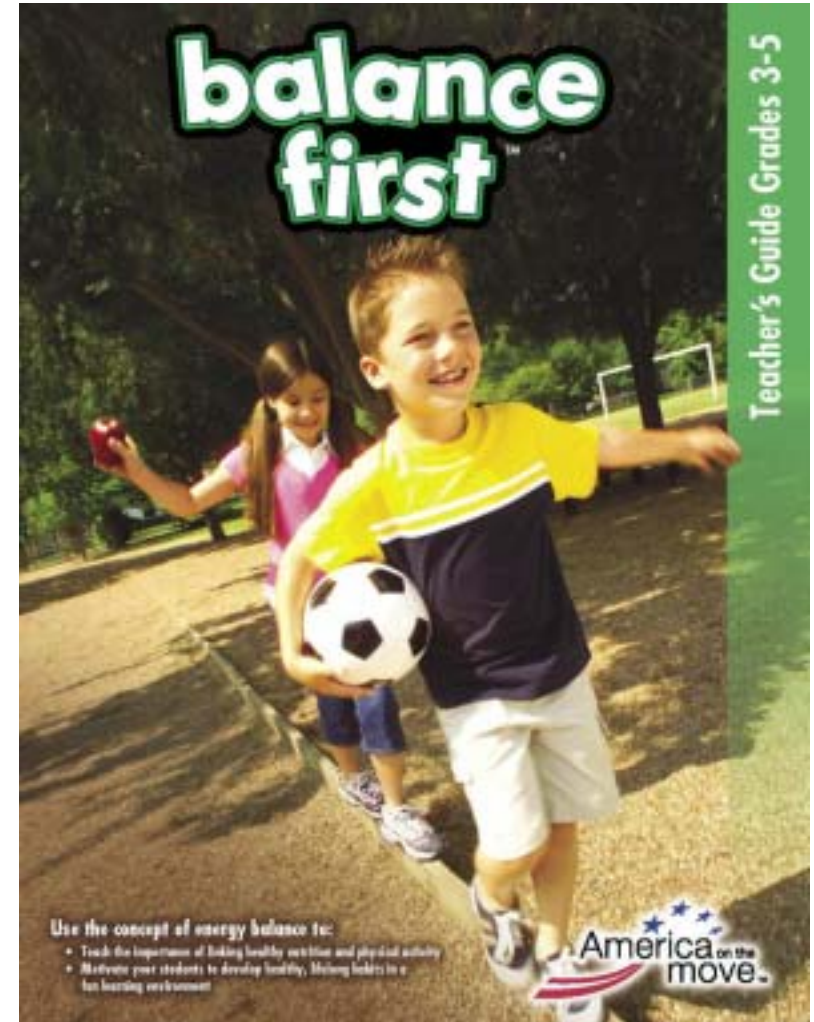
Motivate The Behavior - Energy Balance Education For 3.0MM



Lesson Plans



1-2 Grades

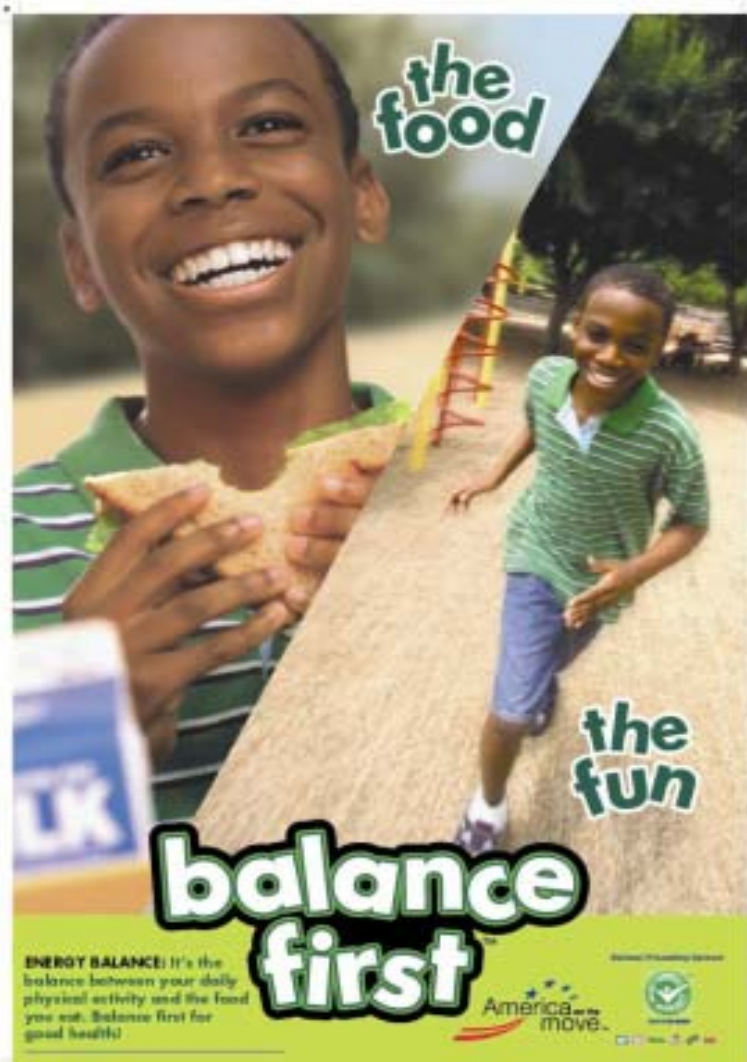


3-5 Grades

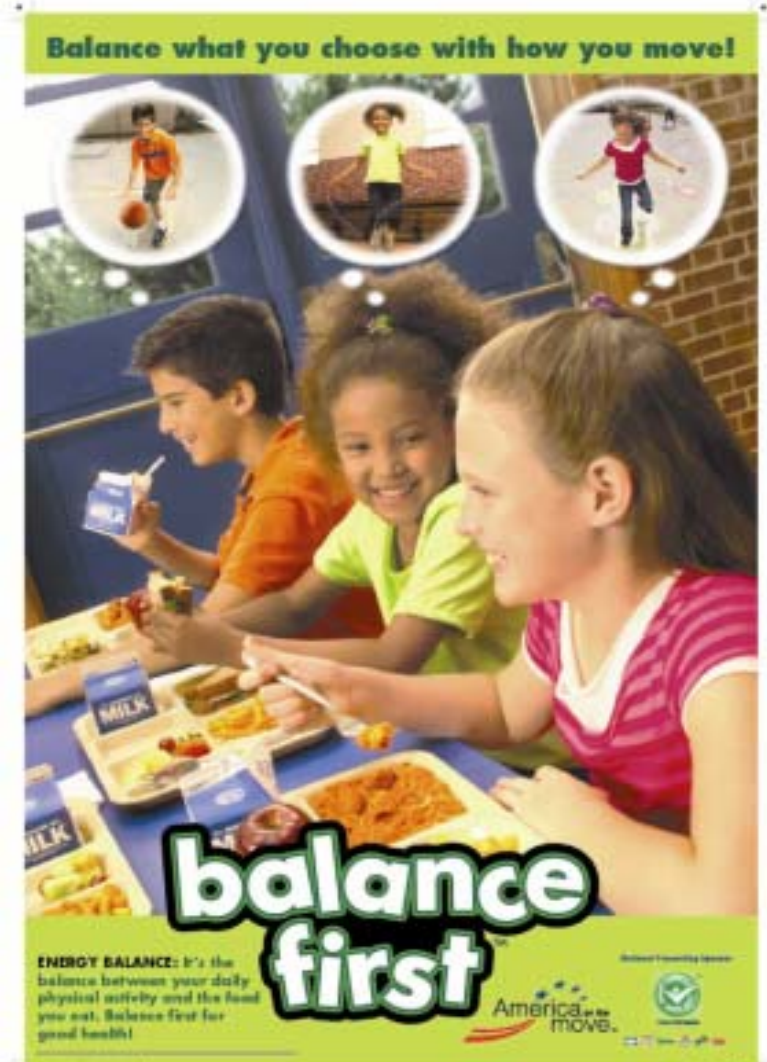
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Posters



Classroom

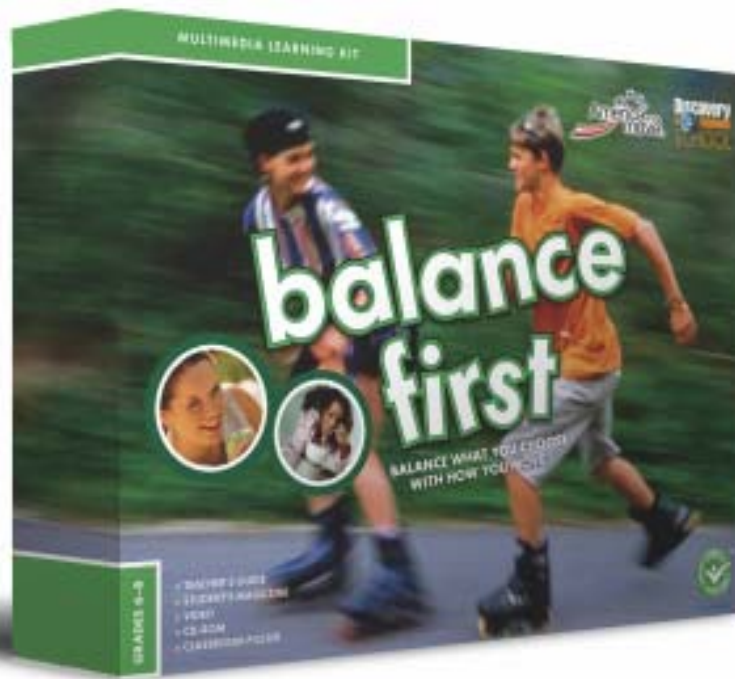


Cafeteria

Motivate The Behavior - Energy Balance Education For Every Middle School



- 15,000 Kits — One to EVERY Middle School
- In-School Date April, 2005



- **Contents:**
 - Letter to Principals
 - Teacher's Guide with standards-based lesson plans
 - Classroom Poster
 - Student Magazine
 - 750,000 take home magazines distributed to students
 - Discovery School *Health* CD-ROM
 - FREE downloads at www.discoveryschool.com/balancefirst



Collaborate For Solutions - UNC and Gatorade



Get Kids in Action



+



Research

Education

Outreach





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